



Michigan Association of
Retired School Personnel
Protecting your future

The Whole Retirement Story



How does MARSP fit into the Whole Retirement Story, and what does all this other stuff mean?

Retirement Act: Public Act 300

The operation of Michigan Public School Employees Retirement System is controlled by the Public School Employees Retirement Act -- Public Act 300 of 2012.



Retirement Act: Public Act 300 *(cont.)*

Active member -- An individual who is on the payroll of a Michigan K-12 public school, intermediate school district, district library, some public school academies...

Retirement Act: Public Act 300 *(cont.)*

...tax-supported college or some employees who started working before 1966 at one of seven state universities: Central, Eastern, Northern, Western, Ferris State, Lake Superior and Michigan Tech.

State of Michigan Department of Management & Budget

Office of Retirement Services (ORS)



State
Police
retirees
2,951



State of
Michigan
retirees
56,854

Michigan Public
School Employees
Retirement
System(MPSERS)
200,952



Judge
retirees
553



Military
retirees

Other retirement
groups



Michigan Association of
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45,000+

Michigan Public School Employees Retirement System

MPSERS/Office of Retirement
Services 800-381-5111 or 517-322-
5103 website:

www.michigan.gov/orsschoolsMIaccount
: www.michigan.gov/orsmiaccount



**MICHIGAN OFFICE OF
RETIREMENT SERVICES**
Big Plans. Small Steps.

MPSERS Board members are drawn from the following groups...

- Public school retirees (MARSP)
- Superintendents
- First class school district employees
- Classroom teachers, active
- State superintendent of education, ex-officio

MPSERS Board members are drawn from the following groups... (cont.)

- Finance operations, retirees
- Reporting unit board of control
- Finance/ operations, non-superintendents
- Community college administrators and trustees

MPERS Board members are drawn from the following groups... *(cont.)*

- Retired non-certified education support positions
- General public investments
- General public health insurance/actuaries

Important terms and definitions related to MPERS retirement



The Basic Plan...

...is the pension plan for public school employees prior to 1986 when the Member Investment Plan (MIP) was introduced. The Basic Plan is mostly funded by employer contributions, however, members do make contributions to the retiree health care fund.

The Contributory Plan...

...is the plan in which employees make personal contributions from salaries. Until 1974, both employees and employers contributed to the pension fund. By 1977, the system was funded entirely through employer contributions. An employee contributory plan, the Member Investment Plan (MIP), was introduced in 1986.

A Defined Benefit Plan...

... gives retirement **benefits** based on a set formula for the remainder of the beneficiary's life. To qualify for a pension at retirement, a member must meet certain age and service requirements.

MPERS Defined Benefit (DB) Plan:

A retired school employee is a member of the MPERS Defined Benefit Plan if he or she:

- First worked for a Michigan public school before **July 1, 2010** *and*
- Did not choose to switch to the Defined Contribution Retirement Plan under P.A. 300 of 2012.



The MPERS Defined Contribution (DC) Plan:

A retired school employee is a member of the DC plan if he or she:

- First worked for a Michigan public school on or after **Sept. 4, 2012** and chose the DC plan

OR...

- Began Michigan public school employment under the DB plan and chose to transfer to the DC plan under P.A. 300 of 2012.

The MPERS DC Plan

- Gives retirement cash payments based on contributions made by the employee and employer during the employee's career.
- Defined contribution payments are exhausted when the account balance is fully paid out.

MPERS Pension Plus Plan:

- A retired school employee is a member of the Pension Plus Plan if he or she:
- First worked for a Michigan public school between **July 1, 2010** and **Sept. 3, 2012**

OR...

- First worked for a Michigan public school on or after **Sept. 4, 2012** and did not choose the Defined Contribution Plan.

Defined Benefit Plan and Defined Contribution Plan:

- A retired school employee is a member of the DB plan and the DC Plan if he or she:
- First worked for a Michigan public school before **July 1, 2010,**

AND

- Chose to switch to the DC Retirement Plan under P.A. 300 of 2012.

Duty Death

If a public school employee dies from an injury or illness at work, his or her eligible beneficiary may be entitled to a survivor pension regardless of the employee's age and years of public service.

Health Maintenance Organization (HMO)

An HMO is a type of health care plan that provides a full range of health care services to its members. HMO members typically receive all medical care from health care providers in the HMO network, coordinated by primary care physicians.



Post-retirement increase (MIP only)

Member Investment Plan (MIP) retirees receive a 3 percent increase (*non-compounded on final average salary*) each October, beginning with the first October after a full year of retirement.

Post-retirement increase (Basic plan)

- Basic Plan retirees may receive a supplemental payment (13th check) when the plan's investments exceed projected returns, on average over five years.
- The payment will only occur when the five year average return exceeds a pre-set percentage.
- Due to volatility in the investment market, it has been more than 10 years since a 13th check has been paid.

HIPAA

HIPAA is the federal Health Insurance Portability and Accountability Act of 1996. The law's primary goals are to make it easier to keep health insurance, protect the confidentiality and security of health care information and help the industry control administrative costs.

How does MARSP fit in?



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Protecting your future



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Five Areas of Focus

1. MARSP promotes the preservation and enhancement of current levels of pension income and health care benefits through legislative advocacy.
2. MARSP's full time staff provides timely assistance and information related to member health care insurance.
3. MARSP is a non-partisan, quality advocate for public education, making it possible for all retirees to be involved regardless of political leanings.





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Five Areas of Focus *(cont.)*

4) MARSP membership is open to ALL retired school employees, instructional and non-instructional, and their beneficiaries. More than half of MARSP members are non-instructional support staff.

5) The MARSP Foundation raises funds through member support to promote the continued education of retired and active school personnel and assist retired personnel with specific needs that improve their quality of life, health and well-being.





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Organizational Structure

- Under the Michigan Nonprofit Corporation laws, MARSP is designated as a directorship corporation (est. 1951).
- The Board of Directors is the governing body of MARSP and is comprised of elected officers, area directors, standing committee chairs and the *VANGUARD* editor as voting members. The parliamentarian is a non-voting member of the board of directors.



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Organizational Structure *(cont.)*

- The board of directors adopts the policies which govern MARSP. The policies constitute the governing philosophy and principles for the operation of MARSP.
- The board of directors is the oversight authority for the activities of the executive and other committees.

Why do school retirees need MARSP?

School retirees need...

- A strong, organized voice speaking on their behalf to protect pension and health care benefits
- Year-round lobbying and effective representation in the Legislature



Why do school retirees need MARSP?

(cont.)

- Representation through MARSP's seat on the Michigan Public School Retirement System (MPERS) Board
- A watchdog for the retirement system and Legislature
- A professional organization ready to respond to future challenges to public school retirees' benefits and interests

Members join MARSP because...

- Retiree interests are the only focus
- It is independent
- It is non-partisan
- It does not endorse candidates

Members join MARSP because...

(cont.)

- It does not make political contributions
- It has a long history and a solid reputation
- It participates with many other groups, organizations and coalitions on retirees' behalf
- It has been successful protecting members' pension and health care benefits for more than 60 years

MARSP Member Benefits

- A subscription to award-winning *VANGUARD*, the most sought-after informational retiree publication in the state
- Year-round lobbying and representation at the Michigan Legislature



MARSP Member Benefits *(cont.)*

- Educational programs for chapters and workshops for local chapter volunteers.
- Recognition programs honoring retired school personnel.
- Interaction and friendship with other retirees through local chapters.



MARSP Member Benefits *(cont.)*

- Advocacy for ALL school retirees
- Health care and pension information explained in plain English

The screenshot displays the MARSP (Michigan Association of Retired School Personnel) website. The header includes the MARSP logo, the organization's name, the tagline "Protecting your future", and navigation links for Home, About Us, and Contact Us. A search bar and a Facebook link are also present. A dark navigation bar lists various sections: Member Center, Legislative Issues, Health Insurance, Foundation, Community, News Room, Events, and Retirement Resources.

On the left, a "JOIN MARSP" section lists benefits: being the largest school retiree association in MI, access to insurance and other discounts, and the VANGUARD Newsletter, with a "Learn More" button.

The center features a large banner titled "Health Care Benefits are Changing: What you need to know" with a "LivingWell Checklist". Below this is a "MEMBER LOGIN" section with fields for Member ID or Email and Password, a LOGIN button, and links for "Forgot password/username?".

Below the login section is a "Take Action" section encouraging users to sign up for the MARSP Advocacy Network to receive updates.

On the right, a "Quick Links" sidebar includes links to the Calendar, Contact Us, Media News Room, Local Chapters, VANGUARD newsletter, Request a Pension 101 Seminar, MPSERS, NRTA Educator's Community, and Shopping for a Cause Travel Center.

At the bottom, a "LATEST NEWS" section lists recent updates: "ORS announces dental provider for 2014", "Gladwin County Chapter member turns 100", and "MARSP Health Insurance Update Videos Now Available".

On the far right, an "EVENTS" calendar shows "DEC 05 Pension 101 West Shore ESD Cancelled".

MARSP Member Benefits *(cont.)*

- Benefits and discounts for members and beneficiaries (www.marsp.org)
- Full-time staff dedicated exclusively to members' needs

MARSP Accomplishments

- Prevented the closeout of the MPSERS pension system for those 65 and under
- Instrumental in the passage of MIP and 3 percent COLA in 1985
- Avoided the doubling of health care costs for those 65 and up beginning Jan. 1, 2013



MARSP accomplishments *(cont.)*

- Major player in the passage of Public Acts 193 and 194 in 1990 (dental, vision, hearing benefits)
- Strong proponent of pension tax repeal
- Leader in the passage of 2007 remarriage law

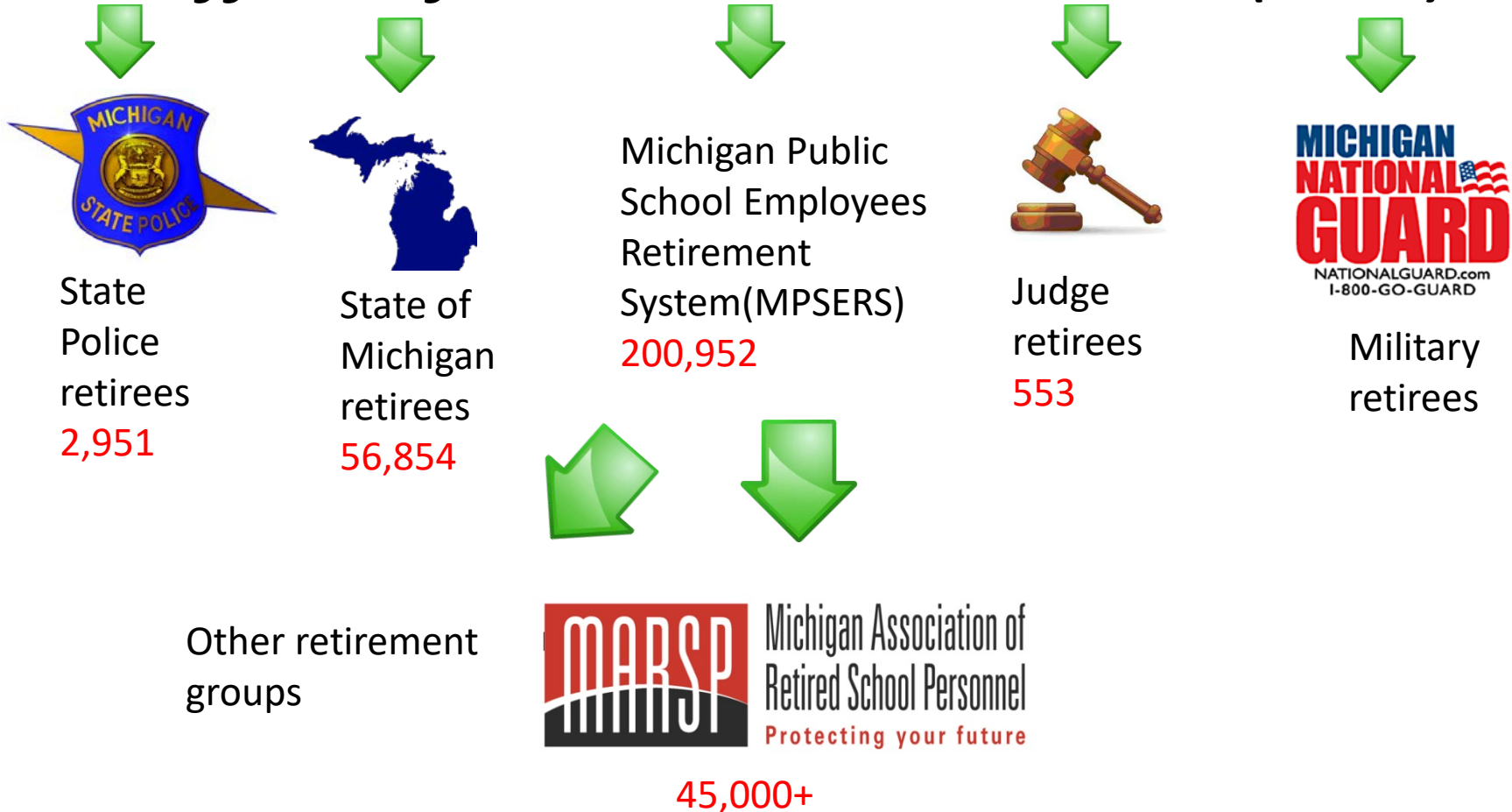
**A review of where
MARSP fits into the
*Whole Retirement Story:***



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State of Michigan Department of Management & Budget

Office of Retirement Services (ORS)





Michigan Association of
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Email: staff@marsp.org

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Credits



Michigan Association of
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Membership Committee

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